

A photograph of two young men standing on a city street, looking at a smartphone held by the man on the right. The man on the left has a beard and glasses, wearing a striped shirt. The man on the right has curly hair and glasses, wearing a white shirt and holding a coffee cup. The background shows a blurred city street with buildings and a yellow traffic light.

How do you prefer to pay?

Mobile money trends in Europe, the USA and Australia

ING International Survey Mobile Banking July 2018

thinkforward



This survey was conducted
by Ipsos on behalf of ING



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About the ING International Survey

The ING International Survey promotes a better understanding of how people around the globe spend, save, invest and feel about money. It is conducted several times a year, with reports hosted at www.economics.com/iis.

This online survey was carried out by Ipsos between 26 March and 6 April 2018.

Sampling reflects gender ratios and age distribution, selecting from pools of possible respondents furnished by panel providers in each country. European consumer figures are an average, weighted to take country population into account.

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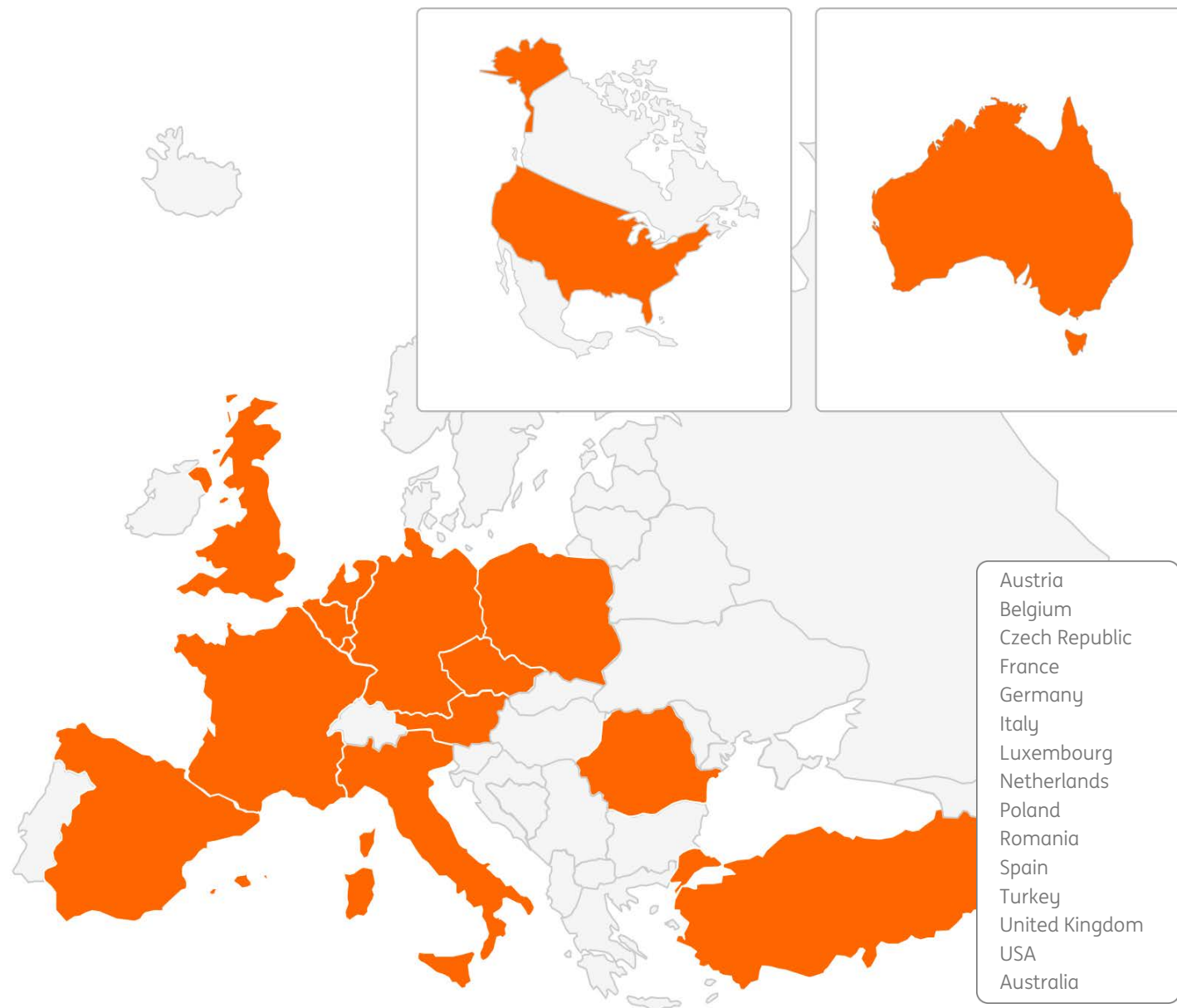
countries are compared in this report.

1,000

About 1,000 respondents were surveyed in each, apart from Luxembourg, with 500.

14,828

is the total sample size of this report.



New trends in mobile banking are changing the way we pay

Digital payments popular online or in-store; but 58% in Europe are so far staying with their bank for money services

People in Europe – as well as the USA and Australia – are increasingly using mobile devices as ways to bank, shop, and pay, as the ING International Survey Mobile Banking 2018 shows.

An expanding population of smartphone owners, supported by greater internet penetration, is leading the charge. High shares cite convenience, availability, absence of fees, help managing their money, comfort with security and device compatibility as the key drivers for them.

Fifty-eight percent of people in Europe are sticking with their main bank for money services, so far. But others are spreading their wings in this area to choose other personal finance technologies.

One in five (21%) have transferred money via organisations other than their main bank in the last 12 months; 15% have done so to make peer-to-peer payments; 13% used digital banking services; and 9% borrowed money.

Motivation to move

Our full data set reveals people's reasons for moving beyond a main bank. Many wanted the ability to make payments any time or make their transactions more convenient.

When asked if mobile “nudges” or reminders would be useful, many were open to a range of possibilities. Eighty percent say receiving notifications of their bank balance after a payment would be “very” (45%) or “somewhat” (35%) useful.

Just 11% in Europe say a post-payment balance reminder would not be useful at all.

Results were broadly similar in the USA and Australia.

Pay online or in a store?

It makes a difference whether people are in a physical store or online when they decide how to pay. In a store, similar shares in Europe pay with cash (32%), credit card (31%) and debit card (29%).

“Those who have gone beyond traditional banks were motivated by the opportunity to make payments whenever they want”

Those who shop online are more varied in their approach; 42% opt for cards, 32% PayPal, 11% pay-on-delivery and 11% local payment methods. “Local payment methods” refers to a wide range of digital ways to pay, including apps such as Twyp or Boon but also other options such as interbank solution iDeal in the Netherlands.

What would they avoid?

Only 13% in Europe say they “would never use” PayPal. The low is in Italy (5%), with Spain (7%) and Poland (7%) next. That compares with 52% who say this for Facebook. Of those who say they would not use any of the suggested digital ways to pay, 44%

say “I always have my card or cash with me anyway”; 42% do not see any added value compared to the payment methods they currently use; 36% say they have concerns about data collection and storage; and 27% say the methods are “unsafe”.

Checks and balances

Mobile device owners most typically use their device for checking their balance or a recent transaction. Across Europe, 65% say they were using their mobile device the last time they did one of these actions, with the highest shares in Belgium, USA, Turkey and the Netherlands.

Other money-related activities happen on mobiles but appear less widespread. People in Belgium (66%) were most open to paying bills with a mobile device; the French (22%) were the most hesitant.

These differences highlight that choices around personal finance depend on risk attitudes, which vary across countries, as much as on the uptake levels of items such as smartphones or internet services.

Jessica Exton, behavioural scientist
Fleur Doidge, editor



So many ways to bank and pay

Whether in person or transacting online, cards and cash now share the limelight with many other convenient methods of banking, shopping and paying – as revealed by the ING International Survey Mobile Banking 2018, which asked nearly 15,000 people in Europe, the USA and Australia about their preferences.

61%

of smartphone owners bank with it

61% of European smartphone owners use the device to bank; up from 48% in 2017.

42%

of e-tail payments are by card

42% of online shopping in Europe is paid for with a card; PayPal accounts for another 32% of transactions.

60%

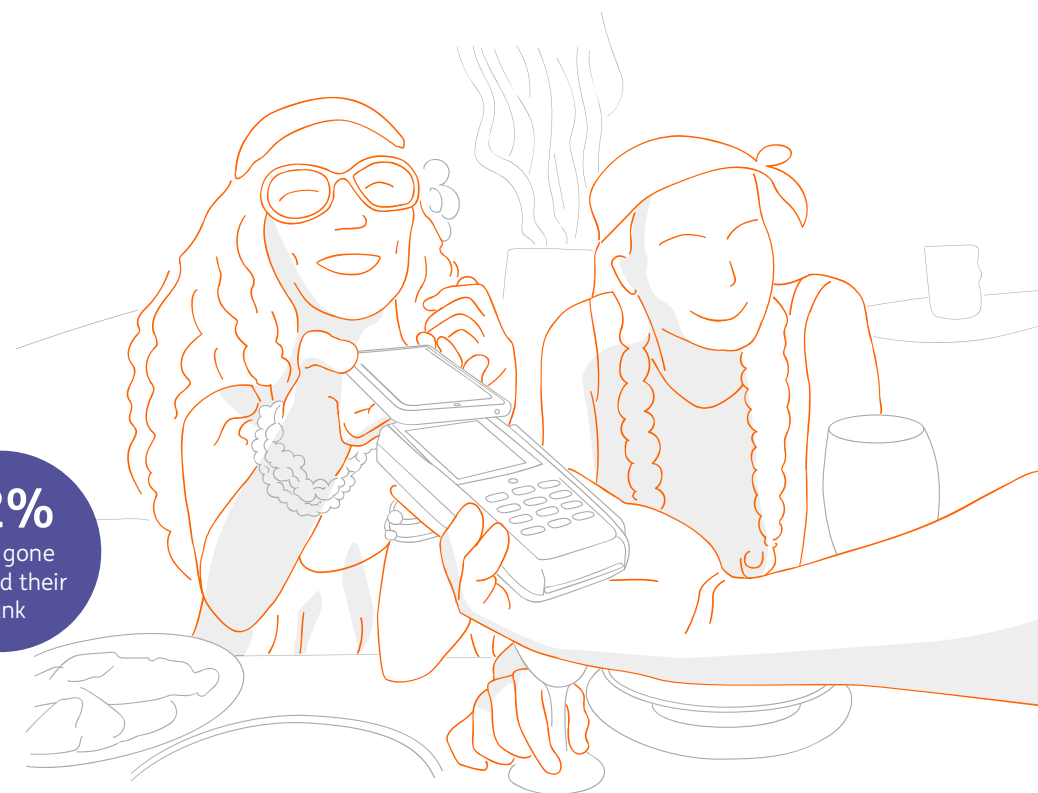
of in-person payments are by card

60% of payments in a shop are by card; just 32% are made with cash in Europe

42%

have gone beyond their bank

58% in Europe so far have stuck with their main bank; 42% have explored third-party services such as fund transfers or peer-to-peer payments.



A photograph of three young women walking together in what appears to be a shopping district. The woman on the left is Black, wearing a brown suede jacket over a striped shirt, and holding a coffee cup. The woman in the middle is white with blonde hair, wearing a pink turtleneck and a grey cardigan. The woman on the right is white with red hair in a braid, wearing a black leather jacket over a plaid shirt. They are all smiling and looking towards the right. The background shows a building with large windows and a patterned interior.

Payments –
the way you
like them

High shares shop online at least once a month

Across Europe two in every three people (67%) in 2018 tell us they shop online at least once a month. In the UK, 16% say they shop online more than once a week – the same share as in the USA.

Of course, access to the internet and a suitable mobile device are key here – and penetration levels for both across the 15 countries surveyed are still rising.

Country differences are also partly due to the availability and breadth of products offered, the type and number of online stores, and whether delivery services are reliable. In fact, our full data set finds that 15% in Europe do not trust their delivery services.

In this survey, shopping online is when you buy goods or services using a computer, tablet or mobile phone, instead of going into a physical store. We defined these as both physical goods and one-off digital services (such as e-books delivered to a Kindle or similar).

However, we excluded automatic renewals (such as annual insurance) or regular ongoing payments (such as a monthly TV subscription).

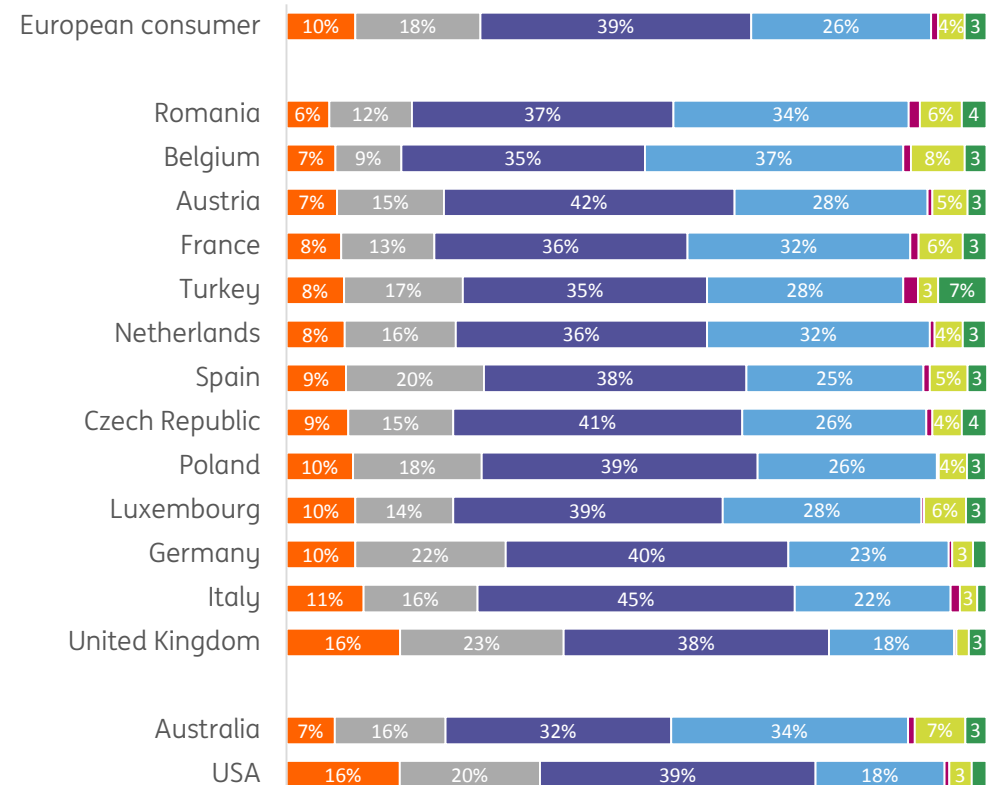
But not everyone shops online

We discovered that four percent of Europeans never shop online – although they could. Of these, 53% prefer to actually see the items, rather than a digital image. Other replies are that they do not trust the security (32%); prefer the social aspect of shopping (30%); do not trust the online descriptions (28%); don't like having to meet deliveries (15%); or do not trust the delivery reliability (15%).

The question

How often have you bought goods or services online in the past 12 months?

Shares who shop online per country – all possible answers shown on the chart.



■ More than once per week
■ At least once per month
■ Never, I can't
■ I don't know
■ At least once per week
■ Less than once per month
■ Never, I don't want to

Sample size: 14,828

Cards first, then PayPal – but there are many ways to pay

This page shows the payment methods used by online shoppers in all 15 countries in the last month, as a percentage of all their monthly online shopping transactions. Availability, convenience and security may all play a role here, as our full data set confirms.

Credit and debit cards, whether details are stored online or re-entered in each transaction, account for 42% of online purchases each month in Europe. PayPal is next, with 32%.

Paying on delivery (whether by cash or card) is more popular in Romania (46%) and the Czech Republic (37%) for online shopping.

We did not ask about USA local equivalents other than from the well-known US tech giants Amazon, Google (Android), Apple and Facebook. While these brands are internationally known, they're not available in all countries surveyed.

Australia has no local payment methods, such as a mobile app only available in that country. "Local payment methods" refers to a wide range of digital ways to pay, including apps such as Twyp or Boon but also other options such as interbank solution iDeal.

We surveyed at least one local payment method in each of the other 12 countries – with Germany boasting six; the Netherlands and Spain four each.

Our full data set shows that local payment methods lead the pack in the Netherlands, with 64% of people in that country having used iDeal at least once when online shopping in the last month – ahead of cards and PayPal.

The question

What proportion of your online transactions did you make with each option? A best guess is OK. Totals must add to 100%

Shares who indicated they used at least one of these payment methods to shop online in the last month.

	PayPal	Card (stored)	Card (manual)	Pay on delivery	Local payment method	Other	Amazon Pay	Google Pay	Apple Pay
European consumer	32%	28%	14%	11%	11%	2%	1%	1%	1%
USA	22%	45%	17%	4%	n/a	3%	5%	2%	2%
Luxembourg	24%	48%	13%	7%	6%	2%	n/a	n/a	n/a
France	29%	41%	18%	8%	0%	1%	n/a	1%	1%
United Kingdom	33%	41%	18%	3%	0%	1%	3%	1%	2%
Turkey	4%	27%	30%	24%	10%	2%	n/a	4%	1%
Belgium	25%	31%	22%	25%	2%	4%	n/a	1%	n/a
Spain	39%	34%	13%	16%	2%	1%	n/a	2%	1%
Austria	29%	37%	8%	9%	12%	5%	n/a	n/a	n/a
Australia	49%	19%	23%	5%	n/a	2%	n/a	1%	1%
Italy	52%	28%	10%	7%	n/a	3%	n/a	n/a	n/a
Czech Republic	12%	22%	15%	37%	9%	5%	n/a	2%	n/a
Romania	16%	21%	12%	46%	3%	2%	0%	n/a	n/a
Poland	21%	17%	7%	18%	35%	1%	n/a	n/a	n/a
Germany	48%	17%	5%	4%	19%	3%	5%	n/a	n/a
Netherlands	13%	4%	12%	3%	67%	2%	n/a	n/a	n/a

Cash versus credit or debit cards? In store they're even

In a first part to the question opposite, 61% of respondents in Europe told us they had used cash in a physical shop at some point in the previous seven days.

We then asked about the spread of all transaction types used in a store, as shown on the chart. We can see that across Europe, 32% of all in-store purchases were made in physical notes and coins.

About the same proportion of in-store transactions were made by credit card (31%) or debit card (29%) – comprising a total of 60%.

The small shares of online shoppers who chose a store card, contactless payments via their main bank, or local apps or similar digital payment methods are combined on the chart.

There are big differences between countries: credit cards are most popular in France and Luxembourg, with debit cards to the fore in Belgium and the Netherlands.

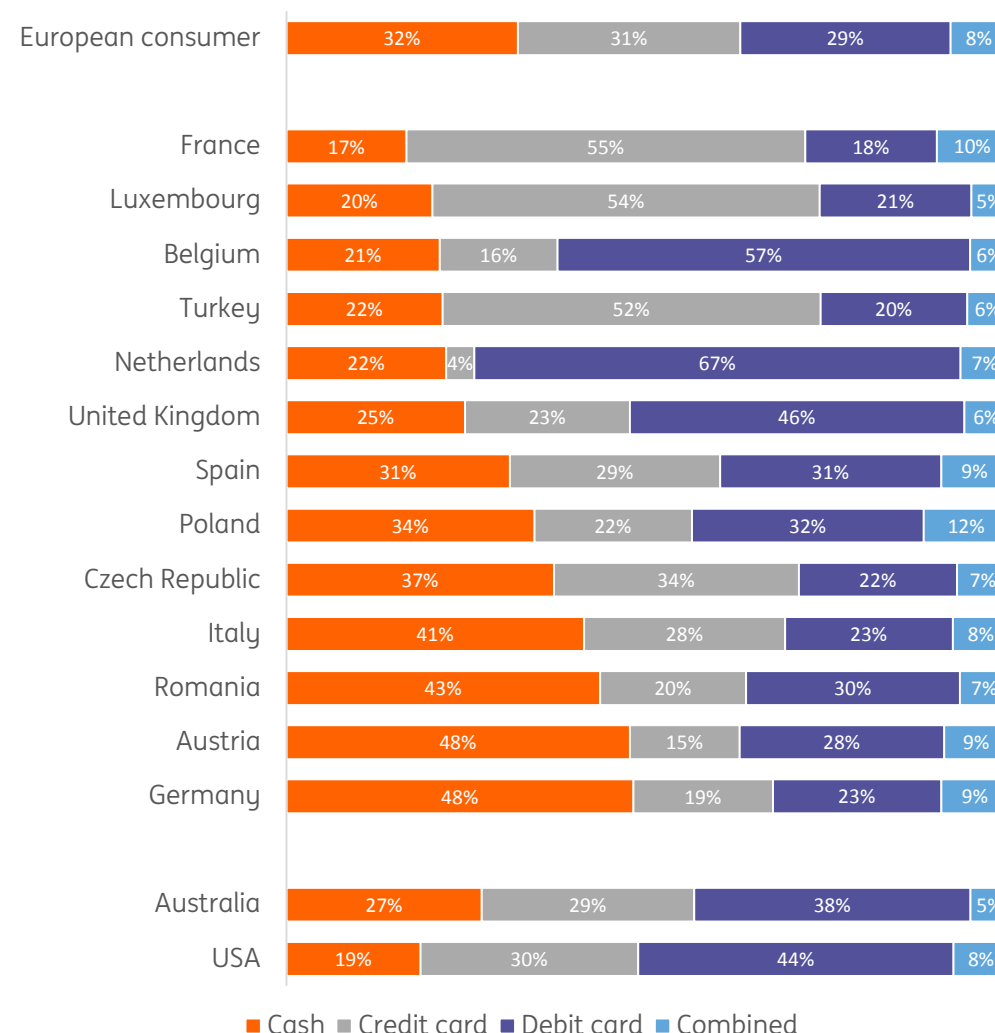
In this survey, shopping in store is defined as buying goods or services in a physical shop and paying for this purchase on the premises. This could be for any type of goods or services.

ING payments analyst Karolina Derwicz said: "Taking into account the pace of development of in-store payment networks, the share of physical cash remains relatively high."

The question

What portion of in-store shopping transactions did you make with each payment option below in the last seven days?

Chart only shows those who indicated they had shopped in a physical store in the last seven days.



Sample size: 14,121

Fewer folk would never use PayPal or “my bank’s app”

But some people in all countries say they “would never use” the digital payment methods suggested.

It seems that PayPal could be the most acceptable overall. Only 13% in Europe say they “would never use” PayPal.

The low is in Italy (5%), with Spain (7%) and Poland (7%) next. “My bank’s app” also attracts strong acceptance, especially in Turkey (4%) and Romania (9%).

Facebook is the least popular of the individual payment options presented. In Europe, 52% reply that they “would never use Facebook” to pay for goods and services, even six months from now. The largest shares who say this are in Luxembourg (66%) and Australia (65%).

Australia has no local payment methods, such as a specific local app or other digital service. USA local equivalents for the purposes of this survey might include AmazonPay, Google’s AndroidPay, ApplePay and Facebook, which aren’t available in all countries surveyed.

Our full data set has detail on why people would not use any of these ways to pay: 44% say “I always have my card or cash with me anyway”; 42% do not see any added value, compared to the payment methods they already use; 36% have concerns about data collection and storage; and 27% say the method is “unsafe”.

Fewer than one in 10 (8%) say the payment method in question is not easy to use; one in 20 (5%) say the payment method is too expensive.

The question

Would you be willing to use this provider to pay for goods and services six months from now, either in store or online?

Shares who reply “I would never use this”. Possible answers included “I don’t know this service”.

	Pay Pal	My bank's app	Local payment method	Amazon Pay	Google Pay	Apple Pay	Facebook
European consumer	13%	18%	20%	25%	31%	32%	52%
Italy	5%	16%	13%	15%	24%	25%	46%
Spain	7%	11%	18%	16%	25%	28%	47%
Poland	7%	11%	18%	25%	25%	23%	45%
Germany	11%	25%	21%	23%	33%	32%	58%
United Kingdom	12%	24%	17%	32%	40%	44%	60%
Australia	13%	24%	n/a	43%	43%	44%	65%
Romania	13%	9%	21%	26%	26%	26%	43%
Austria	16%	20%	17%	25%	38%	34%	65%
USA	16%	23%	n/a	24%	34%	41%	56%
Czech Republic	18%	16%	23%	25%	27%	26%	50%
Turkey	19%	4%	17%	20%	21%	22%	42%
France	20%	26%	27%	39%	45%	45%	63%
Luxembourg	22%	21%	26%	35%	45%	45%	66%
Netherlands	29%	23%	18%	31%	31%	29%	52%
Belgium	30%	23%	28%	37%	41%	37%	60%

Nudges or reminders may appeal to many

We asked eight separate questions about automated reminders or notifications – nudges that could help people manage money. These can be sent out via mobile device or computer.

More than half of European respondents cited these suggestions as “very” or “somewhat” useful, with post-payment balance notifications the most popular (80%).

Eleven percent describe post-payment balance notifications as “not at all useful”.

But the share who say this rises to 30% for product price comparisons and 21% for regular automated reminders of long-term financial goals; 18% say this for notifications of total weekly spend.

Research shows that people typically like to feel in control. And it seems that many may welcome the right reminders about money.

At least nine percent in Europe voted for “no opinion” in each case.

Genders and age brackets responded similarly to these questions, as did people in the USA and Australia.

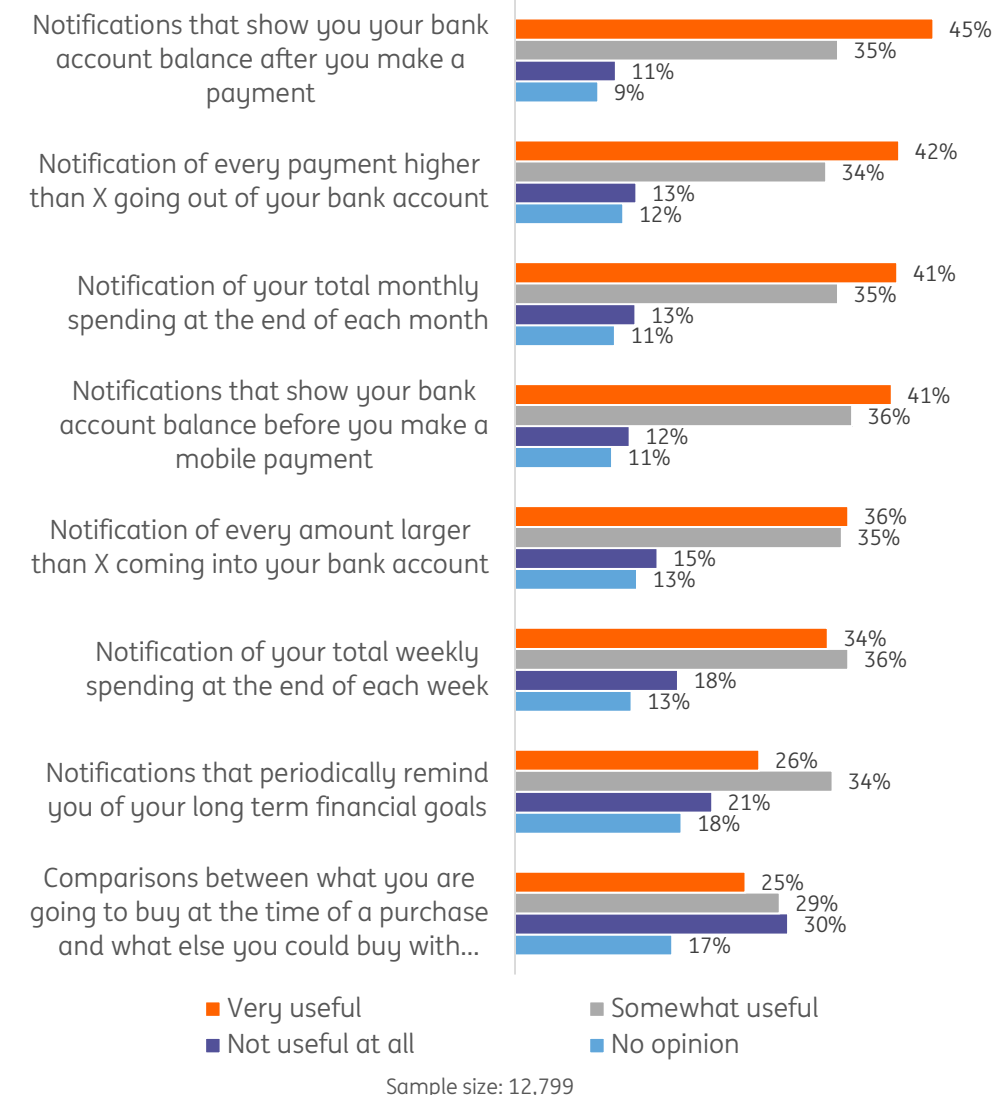
Who does not find these services useful?

Higher shares said pre-payment balance notifications were not useful in Luxembourg (21%) and France (21%). Conversely, post-payment balance notifications were greeted most negatively in Luxembourg (20%) and France (20%). Mobile bankers were likelier to say such nudges could be useful – but there was little difference between frequent and less frequent online shoppers.

The question

How useful might be the notifications or reminders below?

Shares in Europe only.





Banking by mobile in 2018

Beyond banks? No thanks, say nearly three in five

Traditional banks continue to play a key role for people around Europe, as well as the USA and Australia, as the chart makes clear.

When asked if they've gone beyond their primary bank for money services, nearly three in five (58%) people in Europe reply that they only use their main bank.

The shares who so far have stuck with their own bank range from 50% in Turkey to 76% in Luxembourg. Romania is closest to the European average (60%).

We prompted responses by asking whether people had gone to another provider to transfer funds, carry out digital banking (for example, saving money in a specific account), manage money (for instance using a service that gives a single view of several bank accounts), make peer-to-peer payments, borrow money, or do something else.

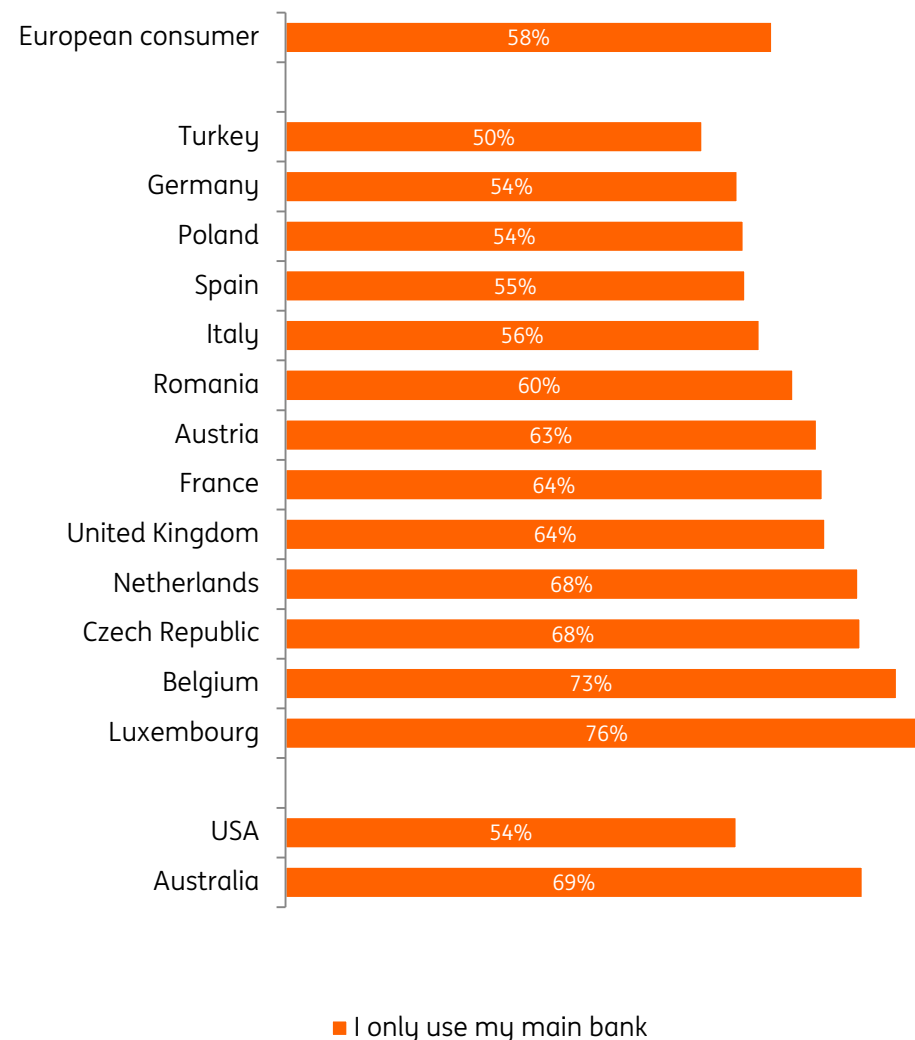
Natural inertia no doubt plays into incumbent providers' hands. Yet "challengers" – whether they be new-style banks or financial technology companies – have gained ground in recent years and may continue to do so.

Will they eventually overtake mainstream banks on all levels? Only time will tell. See the following page for more on the share of respondents who have chosen to go beyond their main bank.

The question

Over the past 12 months have you used any organisations, other than the bank you use most, to access money services?

Shares who said they only used their main bank. "Organisations" means any other banks, companies or groups that provide financial services.



Sample size: 14,828

But key challenger services are making gains

More than half (58%) of respondents in Europe, despite the increasingly diverse money services available, are sticking with their own bank – at least for now.

The chart shows activities chosen by the 42% in Europe who have gone beyond their own bank, in addition to figures for the USA and Australia.

In the last 12 months, at least one in four in Spain, Poland, Germany and Turkey used a third-party money transfer service other than from their main bank. Only one in 10 have done this in Belgium. This might include services like Western Union or MoneyGram.

Peer-to-peer payments, often on a mobile app, are becoming popular ways for people to make small purchases or pay back one-off loans from friends or family. Examples include Twyp or Venmo.

However, we defined the service types broadly – allowing people to interpret these for themselves.

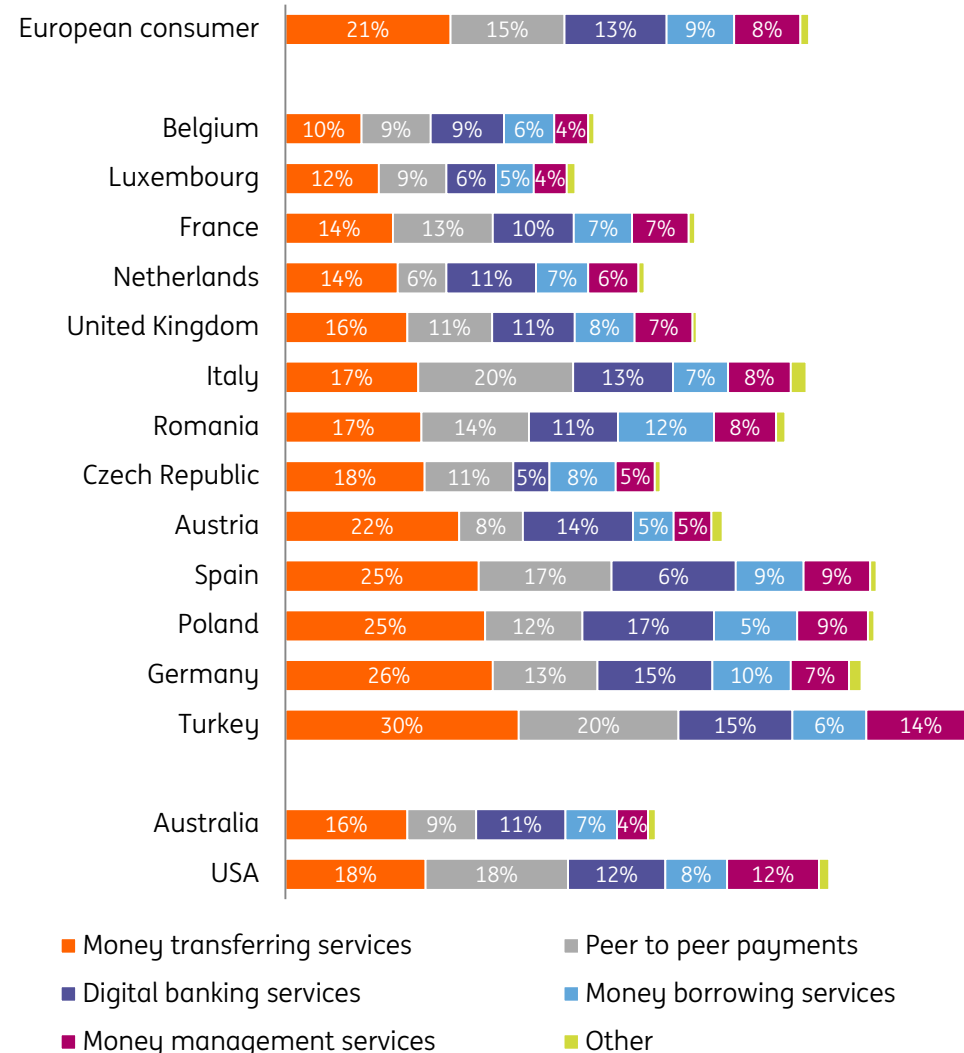
“I can get more – for less – elsewhere”

In our full data set we asked why people have gone beyond their usual bank: 16% cite “being able to do payments whenever I want” and 14% say “to increase the convenience”. For 12%, it was the only option available, a forced choice. Other popular replies cite managing their own money, faster transactions, reduced cost, increased security, and to manage all transactions in one place.

The question

Over the past 12 months have you used any organisations, other than the bank you use most, to access money services?

“Organisations” means any other banks, companies or groups that provide financial services. Multiple answers possible. Shares who replied “No, I only use my main bank” not shown on the chart.



Sample size: 14,828

Banking on the go – rising year on year

As in previous ING International Surveys, smartphones and tablets are the most popular devices for mobile banking and the share of device owners who choose them to bank is expanding every year.

Only a few bank with their smart TV or a wearable gadget such as an AppleWatch, but once again the shares are still growing in 2018.

The picture is similar in the USA and Australia.

When will saturation point be reached? We do not know – but the shares who say they expect to bank on one of these devices in the next 12 months are significant.

Eleven percent in Europe say they'll take up banking on their smartphone in the next 12 months, as do 18% of tablet owners, 21% of smart TV owners, and 28% of wearable owners.

“Mobile phones” means basic “no frills” portable phones – these are still present but less prevalent now than full-function smartphones.

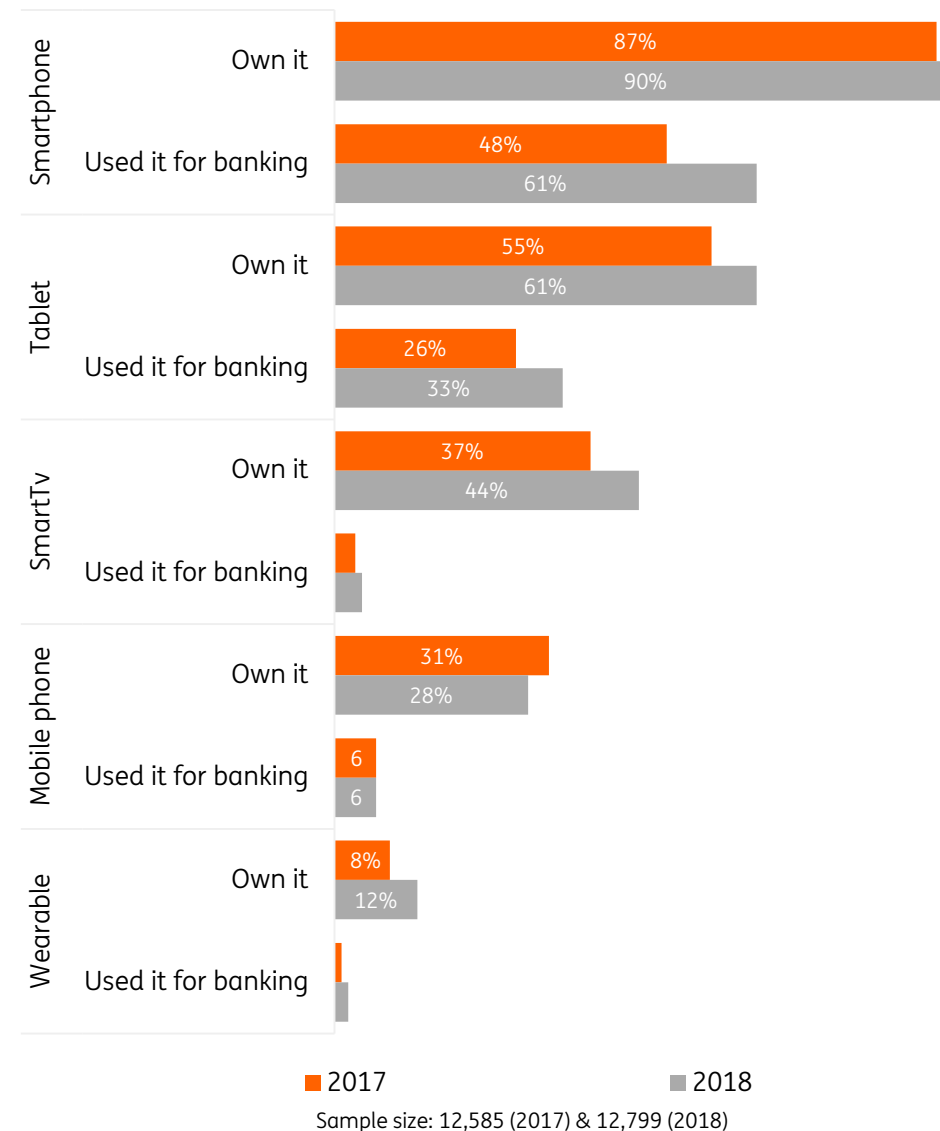
But some may not be interested – ever

About 20% of Europe's smartphone owners say they don't plan to bank on this device in the next 12 months. The share who don't expect to do so is highest in Germany (35%) and lowest in Turkey (4%). Higher shares of tablet owners (27%), smart TV owners (68%), mobile phone (66%) owners, and wearable owners (52%) agree.

The question

Have you ever done your banking on a: smartphone, tablet, smart TV, mobile phone, or wearable?

Europe responses in 2017 and 2018. Asked only to those who own one of these devices. Answer options include “No, but I expect to in the next 12 months” or “No, and I don't expect to in the next 12 months”.



Mobile devices in favour for quick check-ups

Thirty-two percent of people in Europe used another sort of computer, such as a desktop or laptop, to check the last transaction they did or an account balance.

About twice that proportion (65%) used a mobile computing device to do these activities.

A few years ago, these shares might have looked very different, with mobile banking confined primarily to the “nerds” and early adopters of new tech trends.

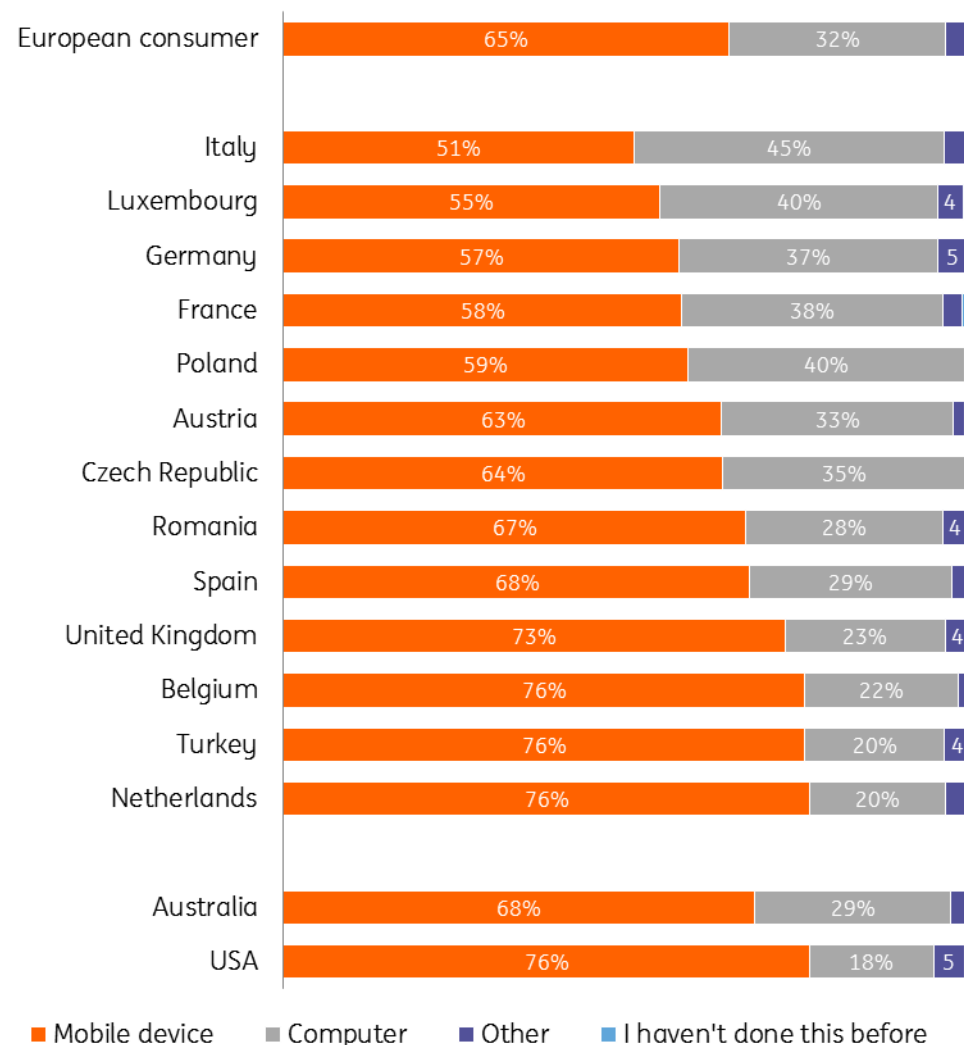
This underlines the value of mobile banking as a field for further research. People increasingly use mobile devices, whether at work, rest or play.

Organisations, meanwhile, should ensure they provide the products and services that are wanted, at the right time and place.

The question

What type of device were you using the last time you checked an account balance or recent transactions?

Of those who indicated they had ever banked on their smartphone, tablet or wearable device.



Sample size: 10,040

Move to mobile less stark when paying bills

The move to managing money by mobile device is clear, as this report as a whole shows.

But there are differences from country to country, partly explained by the degree and type of technology that is supported and promoted.

Furthermore, there remain some specific, named activities where the picture is more mixed – even among people who use their mobile device for banking.

This may partly reflect a parallel rise in the use of automated systems that require minimal or no human interaction.

France, Spain and Italy have high shares indicating they haven't paid bills on a computer or other device before.

In Italy and Spain, bills for electricity, gas or internet are very often direct debits where no action is required by the consumer. People may also have selected this option if their bills are included in their rent.

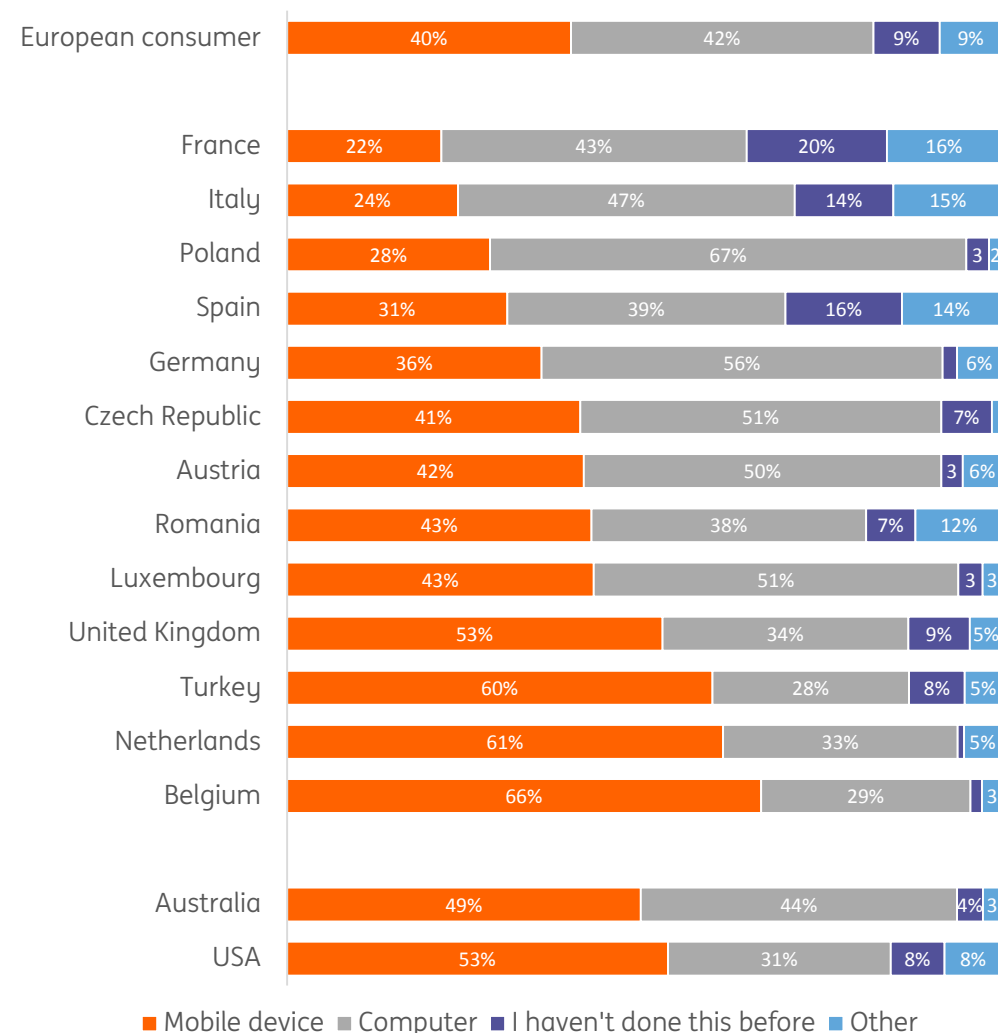
Performance issues or crashes are rare

Our full data set shows that, when using mobile devices to bank, more than 80% in Europe say the technology “has always worked” – whether trying to invest, open a bank account, pay a friend, make a direct-debit payment, change their contact details, block a card, pay a loan instalment, or apply for a loan.

The question

What type of device were you using the last time you made a bill payment?

Of those who indicated they had ever done their banking on their smartphone, tablet or wearable device.



Sample size: 10,040

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